COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:		AUG 1 2 2013
Application of Fern Lake Company For Rate Adjustment For Small Utilities)	PUBLIC SERVICE COMMISSION
		Case No. 2013-00172
Pursuant to 807 KAR 5:076)	

RESPONSE TO STAFF REPORT

Intervenor Water Service Corporation of Kentucky ("WSCK"), by counsel, provides the following response, as ordered by the Public Service Commission on July 12, 2013.

On July 29, 2013, the Commission Staff issued its Staff Report. In the Report, the Staff noted that Fern Lake provides the raw water for WSCK's operations in Middlesboro as well as serves as the location for a fishing club and boat dock. See Report at 8. The Staff made the following recommendation: "Given that the fishing club/boat dock receives a benefit, then logically the fishing club/boat dock should be allocated a share of these costs." Id. WSCK agrees with this recommendation. It further agrees that the Fern Lake Company's reasonable pro forma operating expenses should be allocated equally between Fern Lake Company's customer, WSCK, and the fishing club/boat dock. WSCK does not object to the rates identified in Appendix B of the Staff Report.

In response to the other items identified in the Commission's Order dated July, 12, 2013, WSCK states that it has no additional information for the Commission's consideration at this

time and that this matter may be submitted for decision based on existing record without a hearing.

Respectfully submitted,

M. TODD OSTERLOH

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ATTORNEYS FOR WSCK

CERTIFICATE OF SERVICE

This is to certify that a true and accurate copy of the foregoing was served on this 12th day of August, 2013, by mail to:

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